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STATINTL

Grand Jury Takes Up Case of Hotel 'Bugging'

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By Leslie H. Whitten
Staff Reporter

A District grand jury has begun an investigation into the Mayflower Hotel "bugging" case.

Although United States Attorney David C. Acheson declined to discuss any aspect of the inquiry, it was learned that one witness, who has not previously figured in the case, went before the jury yesterday.

The jury probe, it was learned, was based partly on a report that a private investigator loaned the transmitting "bug" to a Metropolitan Police detective. Ranking police officials were brought into the case by the United States Attorney's office to help determine whether any crime has been committed.

Police officials would not discuss the case.

The grand jury was convened following the discovery earlier this month of a tiny battery-operated "bug" in the suite of a West Coast power combine lawyer having multi-million-dollar case before the Federal Power Commission. The attorney, Malcolm T. Dungan, maintained in a civil suit that his business conversations were being monitored by the "bug."

Marshals, acting under a court order, found an FM receiver and tape recorder in a room near Dungan's suite. Named as defendants in Dungan's civil suit are attorney John J. Frank and private detective Oliver W. Angelone, both with offices at 1830 Jefferson pl. nw., and electronics dealer John W. Leon. All three invoked the Fifth Amendment when questioned under oath by Dungan's attorney, Paul R. Connolly.

The witness who appeared before the grand jury yesterday was served with a grand jury subpoena issued by District Court. It was indicated the case involved a possible violation of the housebreaking statute—presumably entrance into Dungan's suite for placing the "bug." The witness has denied he ever went near the suite.

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